



## Combating Underage Gambling

As you may know, we have been conducting underage compliance visits for about three years. More than 40% of the visits resulted in a violation because a minor was allowed to enter a card room and gamble. A better job needs to be done to keep minors out of card rooms.

There is a resource to help you that is available right now through the Liquor Control Board (LCB). To assist you in keeping minors out of your card room, we recommend that licensees send all employees through the LCB's driver's license identification (I.D.) training. The LCB offers this training twice a month on a voluntary basis. If you attend, make sure you sign in so there is a

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## House-Banked Card Rooms Proposed Rule Changes that Affect You!

- ♣ **Two Part Payment Plan for License Fees No Longer Allowed**
- ♣ **Increasing Tip Reporting for Card Room Employees** *See page 5 for details!*

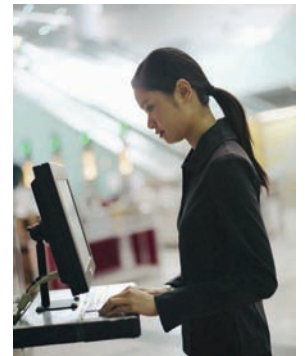
## Internet Gambling Update

So much has been written about the recent Internet gambling bill, we wanted to respond with some of the facts. Hopefully, these facts will help when you hear people talking about Internet gambling.

**Internet gambling currently is, and always has been, illegal under Washington law. Online gambling is also illegal under federal law** (Federal Wire Wager Act (18 U.S.C. § 1084 (1994))).

### Why was the Law Passed?

In response to the growth of illegal Internet gambling activities, the Legislature unmistakably clarified and strengthened Washington's existing statutory prohibition against Internet gambling. The specific term "Internet" was added to the law and one of the possible penalties for its violation was increased, providing law enforcement with additional tools to pursue those profiting from or supporting illegal Internet gambling.



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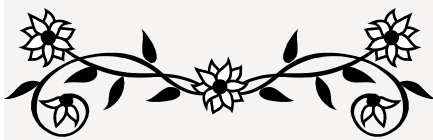
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is published four times a year.

## Rules Simplification Project Update

Established in 1973, the Gambling Commission has written plenty of rules in our time, but in October 2004, we began a project to rewrite all of our rules in plain English.

We have involved stakeholders from the gambling industry and our own staff as subject matter experts. Our goal is to make a rules manual that is easier to use and to understand and to include licensees in the process.

In February 2005, the Governor issued an Executive Order about "Plain Talk" as part of the Government Management Accountability and Performance (GMAP) initiative. Our Rules Simplification Project, already underway, matched the Governor's Executive Order perfectly.

The Commission adopted the first two chapters of the new rules manual at their March 2006 meeting and they have adopted more chapters at Commission meetings since then. In the first two chapters alone, we reduced the number of words by over 32,000.

We will complete the new manual in Fall 2007 and the new rules will become effective January 1, 2008.

## Advice from an Undercover Agent to Card Room Employees and Operators. We're out there, somewhere....

That's right. We are out there somewhere, and we know what is going on. I may work where you do. I may be a regular customer. Perhaps the idea of an undercover agent in your midst makes you apprehensive, but I'm actually there to protect you and the public. I'm not looking to discover unintentional errors. I'm looking to see if you are intentionally breaking the law or ignoring illegal activity. If you are, you may be held accountable.



Don't compromise your livelihood. You have a gambling license and must adhere to a high standard to retain that privilege. Have you ever seen other people breaking the rules and they never seem to get caught? It is your responsibility, as a licensee, to report illegal activity and ongoing problems. Protect yourself and don't get wrapped up in the trouble of lawbreakers by purposely ignoring it yourself. It is bound to catch up with them at some point and their actions may implicate you.

Now is a good time to refresh your memory on some of your responsibilities. These are particularly important because they are required by Washington State law. If you see illegal activity, you must report it to the Gambling Commission: RCW 9.46.153 (3) states that licensees, managers, and

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## Undercover Agent continued

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employees must notify the Gambling Commission if they suspect illegal gambling related activity may be occurring on or off the premises. If a licensed owner, manager or employee knows an illegal activity is occurring and does not notify the Commission, the person risks losing his or her gambling license.

If you are questioned or interviewed by a Special Agent, tell the truth: RCW 9.46.153 (4) requires licensed owners, managers, and employees to cooperate and provide information on investigations conducted by the Commission. If the person fails to cooperate or knowingly provides false information he or she risks losing their gambling license.

Don't cause another person to violate gambling rules or laws: RCW 9.46.185 states that any person who knowingly causes, aids, abets, or conspires with another to cause someone to violate gambling rules will be guilty of a gross misdemeanor."

RCW 9.46.180 states that any person who knowingly causes, aids, abets, or conspires with another to cause someone to violate gambling laws will be guilty of a class B Felony."

Reporting a violation is easy. Call any field office number listed on the last page of this newsletter or report a violation on our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov). If you want to remain anonymous, it is important that you document the specific details of your complaint so we can properly exclude you from our investigation in the future. You may need to prove you were the one who initially reported the illegal activity.

If you are in the unfortunate circumstance of seeing illegal activity, report it. If you are being interviewed or questioned by a Special Agent, tell the truth. In many cases, the Agent may already know the answers to some of the questions that are being asked. Your license enables you to work in the gambling industry. Don't risk your future by breaking the law. I would prefer to be your advocate rather than your adversary, but if that is not enough to convince you - we are out there, somewhere....

## Manufacturers and Distributors Agency Contacts

**Manufacturers** should contact the following agents for state-wide questions regarding bingo, card games, gambling equipment, and punchboard/pull-tabs.

### **Bingo**

Special Agent David Gulke  
(509) 329-3666, extension 232

### **Card game approvals**

Special Agent Keith Wittmers  
(253) 471-5312, extension 231

### **Gambling equipment approvals**

Special Agent Jennifer LaMont  
(253) 471-5312, extension 224

### **Punchboard/pull-tabs**

Special Agent David Gulke  
(509) 329-3666, extension 232

### **Punchboard/pull-tab quality control billings**

Shellie Neuman  
(253) 471-5312, extension 221

**Distributors** should direct questions to their local field agent. If you don't know who your agent is, please see the back page of this newsletter for field office contact information.

**Licensing** questions should be directed to Licensing Operations at Lacey Headquarters.  
(360) 486-3440



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## Rule Changes under Review

Proposed rule changes are generally discussed at three Commission meetings. At the first meeting rules are “Up for Discussion and Possible Filing;” the second meeting “Up for Discussion;” and the third meeting “Up for Final Action.” When rules are Up for Final Action, the Commission may choose to adopt the rules, hold them over for further discussion, or completely remove them from the agenda.

### **How you can comment on proposed rule changes.**

If you have comments on proposed rule changes under review, you are encouraged to attend a Commission meeting.

If you can't attend a meeting, send your comments to:  
WSGC, Attention: Rules Team  
P.O. Box 42400  
Olympia, WA 98504  
Or e-mail: [Rulesteam@wsgc.wa.gov](mailto:Rulesteam@wsgc.wa.gov).

For more information about these proposed rule changes, visit our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov) and select Rules and Laws, Rules under Review, or select Public Meetings, July 2006, Commission meeting.

## Petitions Denied July 2006, Commission Meeting

### **Petition for Rule Change**

#### **Card Room Employees Contributing to Player-Supported Jackpots (PSJ)**

On-duty card room employees that participate in games that offer a PSJ cannot win the PSJ. A card room employee requested that on-duty card room employees not be required to contribute to PSJ funds because they are not allowed to share in the winnings.



#### **Petition for Rule Change Gift Cards**

A licensed service supplier requested the ability to credit gambling winnings to gift cards.

## Adopted Rule Changes

These rule changes are on pages 13, 14, and 15. Remove these pages from the newsletter and insert them into your rules manual (WAC 230-12-080).

### **License Fees for Military Personnel**

Effective Date: July 20, 2006

Military personnel that return from deployment may now renew their individual licenses at the renewal rate for up to six months after returning from deployment. In the past, if their license expired while they were on active duty, they had to apply for a new license.



### **Gambling Devices at Trade Shows**

Effective Date: July 20, 2006

Licensed manufacturers and distributors may transport, display and take orders for authorized gambling devices at trade shows and conventions. The target audience of the trade show or convention must be operators of authorized gambling activities. This rule codifies the agency's past practices. This rule primarily impacts manufacturers who make Class III gambling devices.

### **Gift Cards and Gift Certificates**

Effective Date: August 17, 2006

Gift certificates and gift cards will be allowed as ways to pay to participate in gambling activities. The rule change does not allow gambling winnings to be placed on gift certificates or gift cards.

### **Operators and Distributors/Manufacturers**

Effective Date: August 17, 2006

Credit will be allowed between operators and distributors/manufacturers.



## Rule Changes under Review

### Up for Final Action August 11, 2006, Commission Meeting

#### Petition for Rule Change

##### Lease/Rental Fees for Electronic Bingo Daubers

A licensed manufacturer requests authorization to lease electronic bingo card daubers basing the lease fee on the number of bingo cards sold to a device.

#### House-Banked Card Rooms

##### Financial Statements

The proposed rule change clarifies that house-banked card room applicants and licensees must:

- 1) Maintain their accounting system in accordance with Generally Accepted Accounting Principles;
- 2) Include all income and expenses for the business entity in their accounting system;
- 3) Have their accounting system in place prior to licensure; and
- 4) Include receipts from all house-banked and nonhouse-banked card games when determining the type of financial statement they should submit to the Commission.

The proposed rule changes also clarify what documents must be submitted (for example, balance sheet, income statement, and statement of cash flows).



This will provide consistency of information submitted by house-banked card rooms.

### Up for Possible Filing August 11, 2006, Commission Meeting

#### House-Banked Card Rooms

##### Two Part Payment Plan no longer allowed

Currently, organizations with license fees of \$800 and more may pay the first half of their license fee when their license is issued and the second half six months later. In 2005, \$119,000 in license fees were uncollected because licensees surrendered their license.

Approximately \$54,000 was from five house-banked card rooms. This proposed change would no longer allow house-banked card rooms (which represent 1/2 of 1% of the Commission's licensees) to use the two part payment plan which are responsible for almost 50% of the uncollected revenues.

#### House-Banked Card Rooms

##### Tip Reporting for Card Room Employees

This proposed rule change would require more detailed procedures for the accountability of tips received by card room employees in house-banked card rooms.

#### Gambling Service Suppliers

This proposed rule change clarifies which type of financiers need to be licensed and which do not. Businesses that analyze gambling equipment would need to be licensed. Businesses that enter into ongoing financial relationships with manufacturers to provide "gambling related software" would need to be licensed. "Gambling related software" affects the results/outcome of games or directly interfaces with, or controls, the operation of the gambling equipment.

#### Poker at Fund-Raising Events

This proposed rule change would allow poker to be played at fund-raising events (Reno Nights).

### Up for Final Action September 15, 2006, Commission Meeting

#### Petition for Rule Change

##### Logo Chips

The Petitioner requests authorization for unlicensed persons to possess discontinued gaming chips from card rooms that have closed, or that have changed their chip logo. The intent is to allow chip collectors to buy and sell discontinued logo chips.

#### Petition for Rule Change

##### Crediting Pull-Tab Winnings to Gift Cards

A licensed manufacturer/distributor requests the ability to credit prizes from punchboard or pull-tab games to a gift certificate or a gift card if the prize is \$20 or less. Most prizes are below \$20.

# Internet Gambling continued

(Continued from page 1)

The Washington State Gambling Commission was created to keep the criminal element out of gambling and to protect the public. The recently enacted legislation supports the Commission's efforts at fulfilling that responsibility.

## Penalties and Enforcement.

Washington's gambling statutes now provide a range of gross misdemeanor and felony penalties for Internet gambling violations, depending on the factual circumstances. The actual punishment for an unranked felony conviction is from zero days to one year in a county jail (the same possible jail sentence as a gross misdemeanor).



Enforcement will focus on larger, higher level Internet gambling activities, such as gambling sites and service providers. A gross misdemeanor was not much of a deterrent to site operators and service providers that process hundreds of thousands of dollars in bets.

As for players, gambling on the Internet, whether playing poker, slots or another gambling game, runs a risk of a felony conviction. However, there is not going to be an active campaign against regular players. If players' names appear in an operator's seized records, the Gambling Commission would likely send the player a warning letter, notifying them that betting online is a felony. If a player's name reappears again, charges may be filed.

Washington is part of a multi-state and federal task force that is pursuing education and awareness, as well as coordinated enforcement activities, in order to combat illegal Internet gambling.

## Internet Gambling is Risky.

This legislation has had the added benefit of increasing public awareness and Washington residents are becoming better informed about the dangers and illegality of Internet gambling. Those who gamble on the Internet have no idea who is operating the game, if the game is run honestly, if winnings will be paid, or if the money will be used to further criminal activity.

Businesses and individuals that have a Washington State gambling license undergo background checks to reduce the likelihood of criminal involvement.

Licensees must follow rules designed to keep games fair and honest. The Gambling Commission conducts audits to ensure games are paid out correctly and investigates all complaints. Undercover agents monitor for compliance.

## Social Costs.

Internet gambling creates an uncontrolled opportunity for addicts and children to gamble.

In May 2006, the California Research Bureau published *Gambling in the Golden State 1998 Forward*. This report noted "Internet poker gambling among young males is extremely popular, and becoming a problem. As an example, the president of the sophomore class at Lehigh University robbed a bank in an attempt to pay off \$5,000 in Internet gambling debts."



In October 2005, the Commission contracted with Washington State University's Social & Economic Sciences Research Center to conduct a public opinion survey about gambling. A few key findings include:

- The lack of Internet gambling regulation was the second ranked concern. One-third (34%) were very concerned, and an additional quarter (24%) were somewhat concerned.
- Among five questions about the concerns of Washington residents, the topic of greatest concern was the number of people under the age of 18 who are gambling. Overall, almost half (44%) of surveyed adults were very concerned about under-age gambling, and an additional 25% were somewhat concerned.
- Respondents were asked whether they believe that gambling in Washington is honest and fair. Over three-quarters (76%) of respondents said gambling was very (12%) or mostly (64%) honest and fair.

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# Internet Gambling continued

(Continued from page 6)

## Advertising.

Although, radio, television and newspapers that publish “gambling information” (RCW 9.46.0245) are exempt from the new law, advertising for Internet gambling is generally illegal. In most instances, advertising would be a gross misdemeanor under the professional gambling statute (RCW 9.46.222).



Writing general information about Internet gambling is okay. However, providing links to illegal sites is considered soliciting or inducing persons to participate in an illegal gambling activity and is a violation of the professional gambling statute (RCW 9.46.0269). The courts have determined that there is not First Amendment protection from advertising illegal activities.

## Federal Enforcement Actions.

In 2003, the United States Department of Justice (DOJ) mounted a coordinated challenge to the advertising of Internet gambling sites. A DOJ official sent a letter to the National Association of Broadcasters stating that media businesses likely were “aiding and abetting” violations of federal law when they circulated such advertising.

In 2004, the DOJ seized from Discovery Communications \$3.2 million that ParadisePoker.com had prepaid for future advertising of its Internet gambling site.

In May 2006, the DOJ announced the indictment of two individuals and the corporations through which they operated their illegal, off-shore gambling websites. Those individuals and entities are also charged with money laundering over \$250 million worth of illegal Internet gambling wagers. The indicted individuals are currently federal fugitives.

## Horse Racing.

A few years ago, account wagering for horse racing was authorized by the Legislature. This is a separate law from the Internet gambling prohibition. Currently, the Horse Racing Commission has three licensed vendors that provide account wagering. For more information, call the Horse Racing Commission at (360) 459-6462.

## Gambling Defined.

Gambling involves three elements: Prize, Consideration and Chance. If one of these elements is removed, it is no longer a gambling activity. For example, if you pay a fee to play a game of chance (such as poker, blackjack, bingo, roulette, slots, etc.) for a prize, it is a gambling activity. However, if you play these games for free (no entry fee or wager) it is not gambling and okay to play on the Internet.

## Underage Gambling continued

(Continued from page 1)

record that you attended the training. In about two months, the LCB will have a training CD available for viewing. Please contact your local LCB office for more information.

With proper training, employees will be better prepared to deal with minors trying to enter a card room and gamble. Other items that may reduce the opportunity for minors to enter card rooms are:

- Posting signs requiring staff to check for proper I.D.
- Making sure there is adequate staffing to check patron's I.D.
- Posting a security person at the door
- Having a waitress, dealer, and floor supervisor check for proper I.D.
- Updating internal controls and training staff on what is expected of them

Some card rooms have asked us to look at “mitigating circumstances” when a second violation has occurred. The current fine structure is:

**First Violation:** \$300 Notice of Violation and Settlement

**Second Violation:** Five day suspension; four days deferred and one day vacated by paying a fine of 75% of the net gambling receipts for one day

If you receive a second violation in one year, we will look at what you have done to try and keep minors from gambling at your card room. If you have taken steps to train employees, put up signs, update your internal controls, and document these changes, we will take these into consideration and the fine may be reduced to 50% of net gambling receipts, instead of 75%. Contact your local agent if you have questions.

## **CHANGES IN ACTIVITY REPORT FILING**

In June 2005, the Commissioners discussed the importance of licensees filing Activity Reports on time, and on July 1, 2005, the WACs (Washington Administrative Codes) that cover Activity Report filing deadlines were amended. (WAC 230-08-130, 08-140, 08-150, 08-160, 08-165, 12-305, 12-310)

## **ACTIVITY REPORT DUE DATES**

<b>1<sup>st</sup> and 2<sup>nd</sup> quarters</b>	<b>July 30</b>
<b>3<sup>rd</sup> and 4<sup>th</sup> quarters</b>	<b>January 30</b>

**The number of Activity Reports you must submit has been reduced to only twice a year for most licensees, instead of four times per year.** The only exceptions are Bingo licensees (class D and above) and licensees that have been reporting annually (raffles, amusement games, etc.) **An Activity Report must be submitted even if you have no activity for that quarter.** This means turning in a signed report stating "No Activity".

## **PENALTY FOR LATE REPORTING**

Each penalty is based on the licensee's history of submitting activity reports on time. The more reports that you have not filed on time, the more severe the penalty will be. If you do not turn in your report on time, one of the following will happen:

A **warning letter** may be sent to you requiring the late report to be turned in immediately.

An Agent may issue a **Notice of Violation and Settlement (NOVAS)** giving you the opportunity to settle the violation by turning in the late activity report and paying a fine of \$300.

A **Statement of Administrative Charges** may be issued for the suspension or revocation of your gambling licenses. If all reports are turned in, a possible settlement would be a 20-day suspension with eight days deferred for two years and twelve days vacated by a fine and costs totaling \$1,300. If you do not turn in your reports or have a history of not turning in your reports on time, we will ask that your gambling license be revoked.

Questions? Contact Financial Reporting at 800-345-2529, ext.3476 or ext. 3477. [FinancialReporting@wsgc.wa.gov](mailto:FinancialReporting@wsgc.wa.gov)

### **Late Activity Reporting**

A Statement of Administrative Charges was issued to the following licensees.

By: Michelle M. Pardee, Paralegal, Communications and Legal Division

<b>Name</b>	<b>Violation</b>	<b>Case Outcome</b>
Pike's Place Bar & Grill, Seattle	Failure to timely submit its punchboard/pull-tab Activity Report for the third and fourth quarters of 2005 and a Settlement Order violation.	The licensee submitted the report and agreed to a 20-day suspension. Eight days were deferred for two years and twelve days were vacated by a fine and costs totaling \$1,300. The licensee also served a five day suspension from the previous settlement order.
Yakima Greenway Foundation, Yakima	Failure to timely submit its combined bingo and punchboard/pull-tab Quarterly Activity Report for the third quarter of 2005 and a Settlement in Lieu of Charges violation.	The licensee submitted the report and surrendered its license since it was going out of business.



## Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Casino Caribbean, Yakima	Allowed a minor to gamble. A Notice of Violation and Settlement (NOVAS) was previously issued to the licensee for the same violation.	The licensee agreed to a 5-day suspension. Four days were deferred for one year and one day vacated by a fine and costs totaling \$6,959.
Reliable Security Services, Applicant, Arlington	Conducted service supplier activity without a license.	After obtaining licensure, a 10-day suspension was deferred for one year, the licensee paid a fine of \$17,100, costs of \$3,200, and back licensing fees.
Bridgeport Bar & Grill, Lakewood	Failure to delete flares.	The licensee agreed to surrender its gambling license since the owners were selling the business.
Highway 9 Casino, Lake Stevens	Failure to meet reporting requirements for loans received.	The licensee agreed to a 3-day suspension. One day was deferred for one year, one day vacated by a fine and costs totaling \$3,788.50, and one day served.
Dino's Pub, Renton	Failure to renew license at the next class level and submit an upgrade form and fee. This is the fourth time in the last five years that the licensee failed to upgrade to the proper license level and timely pay the required fees.	The licensee submitted its exceeding class upgrade fee and form and agreed to a 5-day suspension. Two days were deferred for one year and three days vacated by a fine and costs totaling \$2,269.
JR's, Marysville	Failure to timely submit exceeding class license fees.	The licensee submitted its exceeding class upgrade fees and agreed to a 5-day suspension. Two days were deferred for one year and three days vacated by costs totaling \$320.
Korner Street Bar & Grill, Vancouver	Failure to timely submit exceeding class license fees.	The licensee submitted its exceeding class upgrade fees and agreed to a 5-day suspension. Two days were deferred for one year and three days vacated by costs totaling \$320.
Ma & Pa's Roundup, Graham	Failure to timely submit exceeding class license fees.	The licensee submitted its exceeding class upgrade fees and agreed to a 5-day suspension with two days deferred for one year and three days served.

## Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Castle Casino Inc., Everett	Failure to submit financial statements and maintain complete accounting records.	The licensee submitted the financial statements and agreed to a 20-day suspension. Fifteen days were deferred for one year and 5 days were vacated by a fine and costs totaling \$17,795.
Celebrities Casino, Kennewick	Internal Control Violation: allowed two card room employees to act both as dealer and as floor supervisor in the poker pit while games were in progress.	The licensee agreed to a 5-day suspension. Three days were deferred for one year and two days vacated by a fine and costs totaling \$7,470.
Heights Tavern, Vancouver	Operated gambling activity after license expired.	The licensee agreed to a 20-day suspension. Five days were deferred for one year and 15 days were served.
Z's Restaurant at Zeppoz, Pullman	Settlement Order violation: allowed gambling activity during a suspension period.	The licensee agreed to a 7-day suspension. Six days were deferred for two years and one day vacated by fine and costs totaling \$3,327. The licensee also served the one day that should have been served on a previous settlement order.
Northwest Premier Holdings Inc., d/b/a Chrome Café, Applicant, Arlington	Undisclosed loans.	After obtaining licensure, the license was suspended for three days. One day was deferred for one year and two days vacated by a fine and costs totaling \$2,230.
American Legion #00129, Oak Harbor	Failure to maintain an independent management control structure, inadequate oversight of gambling activities, failure to deposit bingo receipts within two banking days, the gambling manager failed to review and sign bingo session records, and failure to notify the Commission of the gambling manager's resignation.	The licensee agreed to a 15-day suspension. Five days were deferred for two years and ten days vacated by a fine and costs totaling \$8,310. Additionally, the licensee will implement independent management controls and there will be a follow-up inspection.

## Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Fraternal Order of Eagles #03563, Spanaway	Failure to safeguard its assets, maintain accurate records, license the gambling manager, and maintain an independent control system.	The licensee agreed to a 15-day suspension. Five days were deferred for one year, 10 days were served, and there will be a follow-up inspection.
Fraternal Order of Eagles #00002, Spokane	Failure to provide an annual report and financial statements and a Settlement Order violation.	The licensee agreed to a 10-day suspension. Three days were deferred for one year and seven days vacated by a fine and administrative costs totaling \$2,380. The licensee also served a one day suspension from the previous settlement order.
Loyal Order of Moose #00494, Ellensburg	Failure to renew license at the next class level and submit an exceeding class upgrade form and fee.	The licensee submitted its exceeding class upgrade form and fee and agreed to a 5-day suspension. Two days were deferred for one year and three days vacated by costs totaling \$360.
Hau Dao Tran, Card Room Employee (CRE), (formerly employed by Last Frontier/ New Phoenix Casinos) Vancouver	Placed bets with a bookmaker.	An Administrative Law Judge (ALJ) issued an Order revoking Mr. Tran's license.
Bruce D. Nguyen, Class III employee and CRE, (formerly employed at The Tulalip Casino and Royal Casino) Everett	Cheating.	The licensee agreed to surrender his gambling license and Class III certification.
Tiffany Buckenberger, Applicant, Pasco	Criminal history.	An ALJ issued an Order denying Ms. Buckenberger's application.
Chanh Kim, CRE, (formerly employed at Silver Dollar Casino/Tukwila and Iron Horse Casino) Blaine	Criminal history.	An ALJ issued an Order revoking Ms. Kim's license.
Sung B. Kim, Applicant, Lacey	Criminal history.	An ALJ issued an Order denying Mr. Kim's application.

## Administrative Case Update

By: Michelle Pardee, Paralegal, Communications and Legal Division

Name	Violation	Case Outcome
Jeffery H. Limon, Applicant, Sunnyside	Criminal history.	The licensee failed to respond to the charges and a Default Order was entered denying his application.
Nguyet Pham, CRE, (formerly employed by Parker's Sports Bar & Casino) Shoreline	Criminal history.	An ALJ issued an Initial Order, revoking Ms. Pham's license. The licensee filed a Petition for Review. The Commission affirmed the ALJ's decision revoking her license.
Chirayout Sinaphet, CRE, (formerly employed by Silver Dollar Casino/Everett) Everett	Criminal history.	The licensee agreed to surrender his gambling license.
Justin Serry, Class III employee, (formerly employed at Suquamish Clearwater Casino), Kingston	Criminal history.	The licensee failed to respond to the charges and a Default Order was entered revoking his certification.
James E. Smith, Applicant, Bellingham	Criminal history.	An ALJ issued an Order denying Mr. Smith's application.
Virginia Alaniz, Class III employee, (formerly employed by the Lummi Silver Reef Casino) Ferndale	Theft of \$100 while working as a cage cashier.	The licensee failed to respond to the charges and a Default Order was entered revoking her certification.
Janet D. Kleman, Class III employee, (formerly employed by the Lummi Silver Reef Casino) Ferndale	Theft of \$160 during a transaction with a patron.	The licensee responded to the charges and said she did not want a hearing. Therefore, a Default Order was entered revoking her certification.
Steven L. Jones, CRE, (formerly employed by Golden Nugget Casino) Tukwila	Theft of \$210 while working as a dealer.	The licensee responded to the charges and said he did not want a hearing. Therefore, a Default Order was entered revoking his license.

**Visit our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov)**



## **NEW SECTION**

**Administrative Order #457**  
**Effective July 20, 2006**

### **WAC 230-12-337**

**Manufacturers and distributors transporting and displaying gambling devices - Trade shows and conventions.**

A manufacturer or distributor licensed by the Washington State Gambling Commission to sell gambling devices authorized by state or federal law may transport, display and accept orders for the sale or lease of those devices at trade shows and conventions, under the following restrictions:

- 1) The target audience of the trade show or convention must be operators of authorized gambling activities in Washington State;
- 2) The commission must be notified in writing of the nature, date, and location ten days before the trade show or convention; and
- 3) All gambling devices purchased or leased at the trade show or convention must be delivered to the operator's authorized location.

## **REPEALED SECTIONS**

**Administrative Order #459**  
**Effective August 17, 2006**

### **WAC 230-12-340**

**Sale of gambling equipment, devices, supplies, paraphernalia, and related supplies – Authorized transactions.**

### **WAC 230-12-350**

**Use of checks and credit cards to purchase gambling equipment, products, and services – Restrictions.**

## **AMENDATORY SECTION**

### **Administrative Order #460**

**Effective August 17, 2006**

#### **WAC 230-12-050**

##### **Extension of credit, loans, or gifts prohibited -- Limited exception.**

No licensee, member or employee thereof shall extend credit, make a loan, or grant a gift to any person playing in an authorized gambling activity, or which enables a person to play in an authorized gambling activity.

##### **Gifts prohibited -- Exceptions.**

(1) Gifts are items licensees give away to its customers and are not connected to gambling activities regulated by the commission. Licensees shall not offer gifts in conjunction with gambling activities, with the following exceptions:

- (a) Promotions are allowed as authorized by WAC 230-12-045;
- (b) Transportation services provided to and from gambling activities;
- (c) Free or discounted food, drink or merchandise may be provided under the following conditions:
  - (i) The actual cost of any individual item may not exceed five hundred dollars;
  - (ii) The merchandise shall not be traded back to the licensee for cash or be used to further participate in an authorized gambling activity;
- (d) For each individual gift with an actual cost over one hundred dollars, charitable and nonprofit organizations shall prepare and maintain a written record with the following information:
  - (i) How the recipients of the gifts were selected;
  - (ii) The number of gifts awarded; and
  - (iii) The total cost of each gift given.

##### **Credit and loans prohibited -- Exceptions.**

(2) The consideration required to participate in the gambling activity shall be collected in full, by cash, check, ~~((or))~~ electronic point-of-sale bank transfer, **gift certificate, or gift card**, prior to participation, with the following exceptions:

##### **Punch boards/pull-tabs.**

(a) The consideration paid for the opportunity to play a punch board or pull-tab series may be collected immediately after the play is completed only when such consideration is ten dollars or less;

##### **Charitable/nonprofit organization's billing system for members.**

(b) When a bona fide charitable or bona fide nonprofit organization conducting any of the activities authorized by chapter 9.46, RCW or commission rules has a regular billing system for all of the activities of its members with such organization, such billing system may be utilized in connection with the playing of any of the activities authorized hereunder if:

- (i) The playing of such activity is limited to regular members of such organization who have become regular members prior to the commencement of such activity and whose qualifications for membership were not dependent upon, or in any way related to, the playing of such activity; and
- (ii) The director has given prior written consent to the use of such billing system in connection with the conduct of activities authorized under these rules.

##### **Raffle tickets purchased with credit cards.**

(c) Charitable or nonprofit organizations utilizing credit cards, issued by a state and/or federally regulated financial institution, for payment to participate in raffles.

## AMENDATORY SECTION

### Administrative Order #458 Effective July 20, 2006

**WAC 230-04-204 Fees -- Individuals.** Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

	LICENSE TYPE	DEFINITION	FEE
1.	<b>CHARITABLE OR NONPROFIT GAMBLING MANAGER</b>	Original	\$ 171
		Renewal	\$ 82
		Change of Employer	\$ 82
2.	<b>LINKED BINGO PRIZE PROVIDER REPRESENTATIVE</b>	Original	\$ 239
		Renewal	\$ 146
3.	<b>COMMERCIAL GAMBLING MANAGER</b>	Original	\$ 175
		Renewal	\$ 84
		Change of Employer	\$ 84
4.	<b>DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE</b>	Original	\$ 239
		Renewal	\$ 146
5.	<b>MANUFACTURER'S REPRESENTATIVE</b>	Original	\$ 239
		Renewal	\$ 146
6.	<b>PUBLIC CARD ROOM EMPLOYEE</b>		
	<b>CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.</b>	Original	\$ 175
		Renewal	\$ 84
	<b>CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.</b>		
		Original, in-state	\$ 237
		Original, out-of-state	\$ 295
		Renewal	\$ 146
		Transfer/Additional Employee/Conversion/ Emergency Waiver Request	\$ 57
7.	<b>OTHER FEES</b>		
	CHANGE OF NAME	(See WAC 230-04-310)	\$ 26
	DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
	OUT-OF-STATE RECORDS INQUIRY	(See WAC 230-04-240)	As required
8.	<u>If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant shall provide evidence of the completion date of active military service.</u>		

# Our Mission: Protect the Public By Ensuring that Gambling is Legal and Honest.

**For Operational or Regulatory Questions, please call our field office closest to you.**

Bellingham (360) 676-2012

Spokane (509) 329-3666

Everett (425) 339-1728

Tacoma (253) 471-5312

Kennewick (509) 734-7412

Wenatchee (509) 886-6230

Renton (425) 277-7014

Yakima (509) 575-2820

**Headquarters – Lacey**  
**(800) 345-2529 (360) 486-3440 TDD: (360) 486-3637**

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## Washington State Gambling Commission

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